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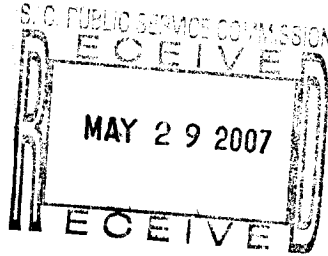
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Charlotte, N. C. 28202

Carol E. Shrum, Vice President

Duke Energy Carolinas
EC12K/P.O. Box 1006
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704 382-9826

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May 23, 2007

2006-268-E

The Honorable Charles Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

Dear Mr. Terreni:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending March 31, 2007. Please feel free to call me at (704) 382-9826 or Veronica Williams at (704) 382-8071.

Yours truly,

Carol Shrum

Carol E. Shrum
Rates & Regulatory Accounting

Enclosure

CES:jr

cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff

CERTIFICATION

South Carolina

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Dwight L. Jacobs, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

D Jacobs
Signature of Person Making Verification

Dwight L. Jacobs
Typed or Printed Name of Person Signing

VP, Franchised Electric and Gas Accounting
Title

5/22/07
Date Signed

Ellen T. Ruff
Signature of President

Ellen T. Ruff
Typed or Printed Name of Person Signing

President, Duke Energy Carolinas
Title

5/22/07
Date Signed

Subscribed and sworn to before me this 22nd day of May, 2007.

Brenda M. Atchley
Notary Public

My Commission Expires: December 4, 2009.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric operating revenue	\$5,422,136		\$1,291,806	(\$1,373)	\$1,290,433
	Electric operating expenses:					
	Operation and maintenance:					
2	Fuel used in electric generation	1,413,473		356,730	(246)	356,484
3	Purchased power and net interchange	116,241		15,362	(16)	15,346
4	Wages, benefits, materials, etc.	1,479,868		367,250	(703)	366,547
5	Depreciation and amortization	881,763		166,078	5,171	171,249
6	General taxes	303,432		64,288	2,184	66,472
7	Interest on customer deposits	3,540		433	0	433
8	Income taxes	323,728		86,077	(1,539)	84,538
9	Amortization of investment tax credit	(8,715)		(2,179)	7	(2,172)
10	Total electric operating expenses	4,513,330		1,054,039	4,858	1,058,897
11	Operating income	\$908,806		237,767	(6,231)	231,536
12	Add: Customer growth adjustment				2,359	2,359
13	Income for return			\$237,767	(\$3,872)	\$233,895
14	Original cost rate base (b)			\$2,671,446	\$48,777	\$2,720,223
15	Rate of return on South Carolina retail rate base			8.90%		8.60%

Notes: (a) From Page 3, "Total adjustments" line.

(b) From Page 4, Line 11.

Line No.	Description	South Carolina Retail				Pro forma			
		Total Company Capitalization March 31, 2007		Per Book Embedded		Embedded Cost/		Embedded Cost/	
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Operating Income (Col. 4)	Retail Rate Base (Col. 5)	Operating Income (Col. 6)	Retail Rate Base (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	\$4,267,018	41.65%	\$1,112,657	6.12%	\$88,095	\$69,338	6.12%	\$69,338
2	Preferred stock	0	0.00%	0	0.00%	0	0	0.00%	0
3	Common equity	5,977,924	58.35%	1,558,789	10.88%	169,672	164,557	10.37%	164,557
4	Total	\$10,244,942	100.00%	\$2,671,446 (a)		\$237,767 (b)	\$233,895 (d)		\$233,895 (d)

Notes:

- (a) From Page 4, Line 11, Column 2.
(b) From Page 1, Line 13, Column 2.
(c) From Page 4, Line 11, Column 4.
(d) From Page 1, Line 13, Column 4.
(e) If adjusted for weather, this rate would be 10.54%.
(f) Excludes pre-tax non-firm wholesale sales profits for the total system of approximately \$51 million for the 12 mos ended 03/31/07. A net of tax South Carolina Retail allocation of profits would amount to approximately \$8 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To annualize depreciation on year-end plant					\$2,972			(\$1,168)		(\$1,804)
2	To annualize wage rate increases				\$3,013		\$224		(1,272)		(1,965)
3	To annualize property taxes on year end plant						1,714		(673)		(1,041)
4	To reflect CWIP closings to plant					2,654	501		(1,240)		(1,915)
5	To adjust income taxes to reflect interest synchronization								1,507		(1,507)
6	To exclude Greenwood operations	(\$1,373)	(\$246)	(\$16)	(3,716)	(455)	(255)	\$0	1,307	\$7	2,001
7	Total adjustments	(\$1,373)	(\$246)	(\$16)	(\$703)	\$5,171	\$2,184	\$0	(\$1,539)	\$7	(\$6,231)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	\$21,260,126		\$5,363,706	\$76,842	\$5,440,548
2	Less: Accumulated depreciation and amortization	(9,286,641)		(2,366,643)	(5,626)	(2,372,269)
3	Net electric plant	11,973,485		2,997,063	71,216	3,068,279
4	Add: Materials and supplies	614,275		162,386	(18,313)	144,073
5	Working capital investment	712,103		177,153	0	177,153
6	Plant held for future use	3,691	31.6962%	1,170	0	1,170
7	Less: Accumulated deferred taxes	(1,606,951)		(496,977)	0	(496,977)
8	Operating reserves	(620,033)		(156,836)	0	(156,836)
9	Customer deposits	(51,466)		(12,513)	0	(12,513)
10	Greenwood				(4,126)	(4,126)
11	Total original cost rate base	\$11,025,104		\$2,671,446	\$48,777	\$2,720,223

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$10,424,705		\$2,616,784	\$36,058	\$2,652,842
2	Transmission	2,010,903	19.4079%	390,274	11,692	401,966
3	Distribution (b)	7,177,909	26.7751%	1,921,892	24,151	1,946,043
4	General	569,126	25.2070%	143,460	4,908	148,368
5	Intangible	281,460	24.9262%	70,157	33	70,190
6	Subtotal	20,464,103		5,142,567	76,842	5,219,409
7	Nuclear fuel	796,023	27.7805%	221,139		221,139
8	Total electric plant in service	<u>\$21,260,126 (a)</u>		<u>\$5,363,706</u>	<u>\$76,842</u>	<u>\$5,440,548</u>

Notes: (a) Excludes electric plant held for future use of.....
and electric plant acquisition adjustment of.....

\$3,691
\$284

(b) The accounting adjustment in Col. 3 represents
non-growth related additions to distribution plant.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$4,507,820		\$1,137,233	\$2,431	\$1,139,664
2	Transmission	970,937	19.3299%	187,681	523	188,204
3	Distribution	2,982,868		819,360	2,254	821,614
4	General	55,231	25.1298%	13,879	411	14,290
5	Intangible	197,090	25.0606%	49,392	7	49,399
6	Subtotal	8,713,946		2,207,545	5,626	2,213,171
7	Nuclear fuel	572,695	27.7805%	159,098		159,098
8	Total accum depreciation and amortization	<u>\$9,286,641 (a)</u>		<u>\$2,366,643</u>	<u>\$5,626</u>	<u>\$2,372,269</u>

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam production plant	4.20%
10	Nuclear production plant (excluding nuclear decommissioning)	1.97%
11	Hydro production plant	2.74%
12	Combustion turbines	3.09%
	Transmission plant:	
13	Right-of-way	1.41%
14	Other	2.81%
15	Distribution plant	3.11%
16	General plant	2.38% - 11.88%
17	Intangible plant	20.00%

Note: (a) Excludes amortization of electric plant acquisition adjustment of.....

\$152

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel stock:				(a) & (b)	
1	Coal	\$265,273	27.7805%	\$73,694	(\$18,777)	\$54,917
2	Oil	<u>25,514</u>	27.7805%	<u>7,088</u>	<u>464</u>	<u>7,552</u>
3	Total fuel stock	290,787		80,782	(18,313)	62,469
4	Other electric materials and supplies and stores clearing	<u>323,488</u>	25.2264%	<u>81,604</u>	<u>0</u>	<u>81,604</u>
5	Total materials and supplies	<u>\$614,275</u>		<u>\$162,386</u>	<u>(\$18,313)</u>	<u>\$144,073</u>

Notes: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal inventory target level (in tons)	2,867,440		
Price per ton - coal	<u>\$68.94</u>		
Total company pro forma inventory	<u>\$197,681</u>	27.7805%	\$54,917
Per book coal inventory			<u>73,694</u>
Coal adjustment			<u>(\$18,777)</u>

(b) Adjustment to per book oil inventory balance to reflect target inventory level.

Oil inventory target level (in gallons)	19,990,000		
Price per gallon - oil	<u>\$1.36</u>		
Total company pro forma inventory	<u>\$27,186</u>	27.7805%	\$7,552
Per book oil inventory			<u>7,088</u>
Oil adjustment			<u>\$464</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve months operating and maintenance expenses, exclusive of purchased power and nuclear fuel expense	<u>\$2,783,265</u>		<u>\$693,492</u>		<u>\$693,492</u>
2	1/8 of O&M expenses on line 1	\$347,908		\$86,687		\$86,687
3	Less: Average taxes accrued	<u>(194,922)</u>		<u>(43,298)</u>		<u>(43,298)</u>
4	Subtotal	152,986		43,389	\$0	43,389
5	Required bank balances	957	25.2948%	242		242
6	Bond reacquisition premiums	101,141		18,306		18,306
7	Prepayments	457,019	25.2104%	115,216		115,216
8	Total working capital investment	<u>\$712,103</u>		<u>\$177,153</u>	<u>\$0</u>	<u>\$177,153</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$402,903	25.0030%	\$100,738	\$0	\$100,738
2	Transmission	56,291	19.4079%	10,925	0	10,925
3	Distribution	89,706	26.7751%	24,019	0	24,019
4	General	11,042	25.2070%	2,783	0	2,783
5	Intangible	<u>59,826</u>	24.9262%	<u>14,912</u>	<u>0</u>	<u>14,912</u>
6	Total construction work in progress	<u>\$619,768</u>		<u>\$153,377</u>	<u>\$0</u>	<u>\$153,377</u>

Line No.	Description	
	12 Months Ended March 31, 2007	
1	SEC Fixed Charges Coverage	3.6
2	Earnings per Share	\$1.48

Line No.	Item	Total Company	Wholesale Jurisdiction	% of Total	N.C. Retail	% of Total	S.C. Retail	% of Total
1	Operating Revenues (\$000s)							
2	Residential	\$2,006,815			\$1,547,073	77.0910%	\$459,741	22.9090%
3	Commercial	\$1,643,345			\$1,292,485	78.6497%	\$350,860	21.3503%
4	Industrial	\$1,073,892			\$665,437	61.9650%	\$408,455	38.0350%
5	Public Street & Hghwy Lighting	\$30,812			\$26,298	85.3523%	\$4,513	14.6477%
6	Interdepartmental	\$0			\$0	0.0000%	\$0	0.0000%
7	Sales for Resale:							
8	Special Contract	\$301,959	\$236,556	78.3407%	\$47,420	15.7043%	\$17,982	5.9550%
9	Other	\$65,760	\$65,760	100.0000%				
10	Total Rev from Sales of Electr	\$5,122,582	\$302,316	5.9016%	\$3,578,715	69.8615%	\$1,241,551	24.2368%
11	Kilowatthour Sales (000s)							
12	Residential	25,660,855			19,425,371	75.7004%	6,235,483	24.2996%
13	Commercial	26,000,137			20,408,735	78.4947%	5,591,402	21.5053%
14	Industrial	24,211,158			14,232,260	58.7839%	9,978,898	41.2161%
15	Public Street & Hghwy Lighting	270,890			229,199	84.6095%	41,691	15.3905%
16	Interdepartmental	0			0	0.0000%	0	0.0000%
17	Sales for Resale:							
18	Special Contract	5,750,890	4,505,286	78.3407%	903,136	15.7043%	342,468	5.9550%
19	Other	1,570,053	1,570,053	100.0000%				
20	Total KWH Sales	83,463,983	6,075,339	7.2790%	55,198,701	66.1348%	22,189,942	26.5862%
21	Revenue Per KWH Sold (Cents)							
22	Residential	7.82			7.96		7.37	
23	Commercial	6.32			6.33		6.27	
24	Industrial	4.44			4.68		4.09	
25	Public Street & Hghwy Lighting	11.37			11.47		10.83	
26	Interdepartmental	0.00			0.00		0.00	
27	Sales for Resale:							
28	Special Contract	5.25	5.25		5.25		5.25	
29	Other	4.19	4.19					
30	Total Revenue per KWH Sold	6.14	4.98		6.48		5.60	